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SECTION III
EXHIBIT M

SETTLEMENT MEMORANDUM FOR FILE

Date: December 5, 1960

Prime Contract No.: [redacted] 25X1

SUBJECT: Final negotiated settlement of P.O. No. 982018 with Hill-McCanna Co.

1. Purpose: This memorandum summarizes the pertinent facts relating to settlement of subject purchase order.

2. Negotiation: The negotiation was participated in by the following individuals:

For The Marquardt Corporation : [redacted] STAT

For The Subcontractor : [redacted] STAT

3. Subcontractor Data:

a. Name and Address: Hills-McCanna Co., 4600 W. Touhey Ave., Chicago, Ill.

b. Affiliations: The Subcontractor is not affiliated in any way with The Marquardt Corporation.

c. Description of Terminated Subcontract or Purchase Order: See Purchase Order copy attached.

d. Subcontract or Purchase Order Number and Date: 982018 dated 6-22-59 confirming verbal orders.

e. Subcontract or Purchase Order Type: CPFF

f. General Description of Items On Order: See P.O. attached

g. Total Subcontract Price: $119,450.00

4. Description of Termination:

a. Complete or Partial Termination: Complete

b. Effective Date of Termination: July 16, 1959

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(Description of Termination Continued)

c. Value of Items Terminated: $119,450.00

d. Cessation of Work: Insofar as can be determined, the subcontractor stopped work within a reasonable time after receipt of the termination notice.

e. Lower Tier Subcontractors: None

5. Description of Settlement Proposal:

a. Date Filed and Amount: 9-25-59 for $22,634.31

b. Type of Settlement Proposal: DD from 547

6. Description of Reviews Performed On Settlement Proposal:

a. Desk Review: [redacted] - Term. Rep. STAT

b. Field Review: [redacted] - Corporate Internal Auditor

c. Field Audit: [redacted] - Corporate Internal Auditor

7. Factors Considered In Settlement: Audit of the Subcontractor's Proposal; type of work to be performed; work accomplished and reported to date of termination; preparations made; general principle outlined in ASPR Sect. VIII.

8. Inventory Disposal: Scrap for $3.00

9. Settlement Summary:

Proposal As Submitted	Changes	Final Settlement
$22,631.31	$(2,424.68)	$20,206.63
		16,000.00 - Partial payment
		$ 4,206.63

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10. Certificate As To Subcontractor's Charges:

(a) The contractor has examined, or caused to be examined, to an extent it considers adequate in the circumstances, the claim of this subcontractor (exclusive of claims filed against such subcontractor by its subcontractors); (b) The settlement on account of this subcontractor's own charges are fair and reasonable, said charges are allocable to the terminated portion of this contract and said settlement was negotiated in good faith and is not more favorable to the subcontractor than that which the contractor would have made if reimbursement by the Government was not involved; (c) The contractor has received from this subcontractor an appropriate certificate with respect to its claim, which certificate is substantially in the form of this certificate; and (d) The contractor has no information leading it to doubt (1) the reasonableness of the settlements with more remote subcontractors or (2) that the charges for them are allocable to this contract. Upon receipt by the contractor of amounts covering this settlement, the contractor will pay or credit it promptly with the amount so received, to the extent that it has not previously done so. The term "subcontractor" as used above includes suppliers.

STAT

Termination Representative
Title

Settlement Agreement attached.

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